

Exhibit O

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18 UNITED STATES DISTRICT COURT

19 CENTRAL DISTRICT OF CALIFORNIA-SOUTHERN DIVISION

20 KATIE MICHELLE McCONNELL,
21 individually and on behalf of all others
22 similarly situated,

23 Plaintiff,

24 v.

25 GENERAL MOTORS LLC,

26 Defendant.

Case No.:

CLASS ACTION

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

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1 Plaintiff Katie Michelle McConnell, individually and as class representative
2 on behalf of all similarly situated persons and the general public, brings this action
3 against Defendant General Motors LLC (“Defendant” or “GM”) and alleges as
4 follows:
5

6 **I. INTRODUCTION**

7 1. This case involves an egregious and unprecedented failure to disclose
8 and to affirmatively conceal a known defect in GM vehicles.

9 2. An auto manufacturer should never make profits more important than
10 safety and should never conceal defects that exist in its vehicles from consumers or
11 the public. GM’s Vehicle Safety Chief, Jeff Boyer has stated that: “Nothing is more
12 important than the safety of our customers in the vehicles they drive.” Yet, GM
13 failed to live up to this commitment.
14

15 3. The first priority of a car manufacturer should be to ensure that its
16 vehicles are safe, and particularly that its vehicles have operable ignition systems,
17 airbags, power-steering, power brakes, and other safety features that can prevent or
18 minimize the threat of death or serious bodily harm in a collision. In addition, a car
19 manufacturer must take all reasonable steps to ensure that, once a vehicle is running,
20 it operates safely, and its safety critical systems (such as engine control, braking, and
21 airbag systems) work properly until such time as the driver shuts the vehicle down.
22 Moreover, a manufacturer that is aware of dangerous design defects that cause its
23 vehicles to shut down during operation, or its airbags not to deploy, must promptly
24 disclose and remedy such defects.
25

26 4. Since 2002, GM has sold millions of vehicles throughout the United
27 States and worldwide that have a safety defect in which the vehicle’s ignition switch
28

1 can unintentionally move from the “run” position to the “accessory” or “off”
2 position, resulting in a loss of power, vehicle speed control, and braking, as well as a
3 failure of the vehicle’s airbags to deploy.

4 5. GM began installing these ignition switch systems in models from 2002
5 through at least 2007 and possibly later. GM promised that these new systems would
6 operate safely and reliably. This promise turned out to be false in several material
7 respects. In reality, GM concealed and did not fix a serious quality and safety
8 problem plaguing its vehicles.
9

10 6. Worse yet, the defects in GM’s vehicle could have been easily avoided.

11 7. From 2004 to the present, GM received reports of crashes and injuries
12 that put GM on notice of the serious safety issues presented by its ignition switch
13 system.
14

15 8. Yet, despite the dangerous nature of this defect and its effects on safety
16 critical systems, GM concealed its existence and failed to repair the problem.

17 9. Despite notice of the defect in its vehicles, GM did not disclose to
18 consumers that its vehicles – which GM for years had advertised as “safe” and
19 “reliable” – were in fact not as safe or reliable.
20

21 10. GM’s CEO, Mary Barra has admitted in a video message that:
22 “Something went wrong with our process in this instance, and terrible things
23 happened.”

24 11. This case arises from GM’s breach of its obligations and duties,
25 including GM’s failure to disclose that, as a result of defective ignition switch
26 design, at least 1.4 million GM vehicles had the propensity to shut down during
27
28

1 normal driving conditions and created an extreme and unreasonable risk of accident,
2 serious bodily harm, and death.

3 12. GM's predecessor, General Motors Corporation ("Old GM") also
4 violated these rules by designing and marketing vehicles with defective ignition
5 switches, and then by failing to disclose that defect even after it became aware that
6 the ignition switch defect was causing fatal accidents. In addition to the liability
7 arising out of the statutory obligations assumed by GM, GM also has successor
8 liability for the deceptive and unfair acts and omissions of Old GM because GM has
9 continued the business enterprise of Old GM with full knowledge of the ignition
10 switch defects.
11

12 13. The defective ignition switches were manufactured by Delphi
13 Automotive PLC ("Delphi"). Once a subsidiary of Old GM, Delphi spun-off from
14 Old GM in 1999, and was an independent publicly held corporation.
15

16 14. Plaintiff alleges based on information and belief, that Delphi knew its
17 ignition switches were defective, but nevertheless continued to manufacture and sell
18 the defective ignition switch systems, which it knew would be used in the vehicles of
19 Plaintiff and the Class.
20

21 15. Plaintiff brings this action for a Class of all persons in the United States
22 who currently own or lease one or more of the following GM vehicles: 2003-07
23 Saturn Ion; 2005-07 Chevrolet Cobalt; 2007 Pontiac G5; 2006-07 Chevrolet HHR;
24 2006-07 Pontiac Solstice; and 2007 Saturn Sky (hereinafter "Defective Vehicles").
25

26 16. Plaintiff believes that there are other GM vehicles which suffer from the
27 same or substantially similar ignition switch defects as the Defective Vehicles
28 identified above. Accordingly, Plaintiff will supplement the list of Defective

1 Vehicles to include additional GM vehicles that have defective ignition switches,
2 which result in a loss of vehicle speed control, loss of braking control, and airbag
3 non-deployment

4 17. Plaintiff also sues for a subclass of California residents who own or
5 lease one or more Defective Vehicles.

6 18. The Defective Vehicles are defective and dangerous for multiple
7 reasons, including the following (collectively, the “ignition switch defects”):

8 a. The ignition switches can inadvertently shut off the engine and
9 vehicle electrical system during normal driving conditions;

10 b. When the engine and the electrical system shut down, the power
11 steering and power brakes also shut down, creating a serious risk of accident;

12 c. When the electrical system shuts down, the vehicle’s airbags are
13 disabled, creating a serious risk of serious bodily harm or death if an accident
14 occurs.

15 19. The ignition switch defects make the Defective Vehicles unreasonably
16 dangerous. Because of the defects, the Defective Vehicles are likely to be involved
17 in accidents, and, if accidents occur, there is an unreasonable and extreme risk of
18 serious bodily harm or death to the vehicle’s occupants.

19 20. GM admits to at least twelve deaths as a result of the ignition switch
20 defects, but the actual number is believed to be much higher.

21 21. The ignition switch defects present a significant and unreasonable safety
22 risk exposing Defective Vehicle owners and their passengers to a risk of serious
23 injury or death.

1 22. For many years, GM has known of the ignition switch defects that exist
2 in millions of Defective Vehicles sold in the United States. But, to protect its profits
3 and maximize sales, GM concealed the defects and their tragic consequences and
4 allowed unsuspecting vehicle owners to continue driving highly dangerous vehicles.
5

6 23. Under the Transportation Recall Enhancement, Accountability and
7 Documentation Act (“TREAD Act”),¹ and its accompanying regulations, when a
8 manufacturer learns that a vehicle contains a safety defect, the manufacturer must
9 promptly disclose the defects.² If it is determined that the vehicle is defective, the
10 manufacturer must notify vehicle owners, purchasers, and dealers of the defect and
11 must remedy the defect.³
12

13 24. In addition to the TREAD Act and other laws, GM violated the
14 Michigan Consumer Protection Act (the “MCPA”) and fraudulently concealed the
15 deadly ignition switch defects from consumers, owners, and lessees of the Defective
16 Vehicles. GM also violated the TREAD Act by failing to timely inform NHTSA of
17 the ignition switch defects and allowed cars to remain on the road with these defects.
18 GM’s violations of the TREAD Act also constitute violations of California’s Unfair
19 Competition Law (the “UCL”)⁴ and California’s Consumer Legal Remedies Act (the
20 “CLRA”).⁵
21
22
23

24 ¹ 49 U.S.C. §§ 30101-30170.

25 ² 49 U.S.C. § 30118(c)(1) & (2).

26 ³ 49 U.S.C. § 30118(b)(2)(A) & (B).

27 ⁴ CAL. BUS. & PROF. CODE § 17200 *et seq.*

28 ⁵ CAL. CIV. CODE § 1750 *et seq.*

1 25. Plaintiff and the Class have been damaged by GM's misrepresentations,
2 concealment and non-disclosure of the ignition switch defects in the Defective
3 Vehicles, as they are now holding highly dangerous vehicles whose value has greatly
4 diminished because of GM's failure to timely disclose the serious defect.

5
6 26. Plaintiff and the Class were also damaged by the acts and omissions of
7 Old GM for which GM is liable through successor liability because the Defective
8 Vehicles they purchased are worth less than they would have been without the
9 ignition switch defects.

10 27. Plaintiff and the Class paid more for the Defective Vehicles than they
11 would have had they known of the ignition defects or they would not have purchased
12 the Defective Vehicles at all.

13 14 **II. JURISDICTION AND VENUE**

15 28. This Court has diversity jurisdiction over this action under 28 U.S.C.
16 § 1332(a) and (d) because the amount in controversy for the Class exceeds
17 \$5,000,000, and Plaintiff and other Class members are citizens of a different state
18 than Defendant.

19 29. This Court has personal jurisdiction over Plaintiff because Plaintiff
20 submits to the Court's jurisdiction. This Court has personal jurisdiction over GM
21 because GM conducts substantial business in this District, and some of the actions
22 giving rise to the complaint took place in this District.

23
24 30. Venue is proper in this District under 28 U.S.C. § 1391 because GM, as
25 a corporation, is deemed to reside in any judicial district in which it is subject to
26 personal jurisdiction. Additionally, GM transacts business within the District, and
27 some of the events establishing the claims arose in this District.
28

III. PARTIES

31. Plaintiff and Named Class Representative Katie Michelle McConnell is a resident and citizen of Irvine, California. Plaintiff owns a 2007 Saturn Ion Coupe. Plaintiff chose the Saturn in part because she wanted a safely designed and manufactured vehicle. Plaintiff saw advertisements for Old GM vehicles before she purchased the Saturn, and, although she does not recall the specifics of the advertisements, she does recall that safety and quality were consistent themes across the advertisements she saw. These representations about safety and quality influenced Plaintiff's decision to purchase the Saturn. Plaintiff did not learn of the ignition switch defects until about March 2104. Had Old GM disclosed the ignition switch defects, Plaintiff would not have purchased her Saturn, or would have paid less than she did, and would not have retained the vehicle.

32. Defendant General Motors LLC ("GM") is a foreign limited liability company formed under the laws of Delaware with its principal place of business located at 300 Renaissance Center, Detroit, Michigan. GM was incorporated in 2009 and on July 10, 2009 acquired substantially all assets and assumed certain liabilities of General Motors Corporation ("Old GM.") through a Section 363 sale under Chapter 11 of the U.S. Bankruptcy Code.

33. Among the liabilities and obligations expressly retained by GM after the bankruptcy are the following:

From and after the Closing, Purchaser [GM] shall comply with the certification, reporting and recall requirements of the National Traffic and Motor Vehicle Act, the Transportation Recall Enhancement, Accountability and Documentation Act, the Clean Air Act, the California Health and Safety Code, and similar laws, in each case, to

1 the extent applicable in respect of vehicles and vehicle
2 parts manufactured or distributed by [Old GM].

3 34. GM also expressly assumed:

4 all Liabilities arising under express written warranties of
5 [Old GM] that are specifically identified as warranties and
6 delivered in connection with the sale of new, certified used
7 or pre-owned vehicles or new or remanufactured motor
8 vehicle parts and equipment (including service parts,
9 accessories, engines and transmissions) manufactured or
10 sold by [Old GM] or Purchaser prior to or after the Closing
11 and (B) all obligations under Lemon Laws.

12 35. Because GM acquired and operated Old GM and ran it as a continuing
13 business enterprise, and because GM was aware from its inception of the ignition
14 switch defects in the Defective Vehicles, GM is liable through successor liability for
15 the deceptive and unfair acts and omissions of Old GM, as alleged in this Complaint.

16 **IV. FACTUAL ALLEGATIONS**

17 **A. The Ignition Switch Defects in the Defective Vehicles**

18 36. Given the importance that a vehicle and its electrical operating systems
19 remain operational during ordinary driving conditions, it is imperative that a vehicle
20 manufacturer ensure that its vehicles remain operational from the time the driver
21 starts the vehicle until the driver intentionally shuts down the vehicle. With respect
22 to the Defective Vehicles, GM has failed to do so.

23 37. In the Defective Vehicles, the ignition switch defects can cause the car's
24 engine and electrical system to shut off, disabling the power steering and power
25 brakes and causing the non-deployment of the vehicle's airbags in the event of a
26 crash.

27 38. The Defective Vehicles are, therefore, unreasonably prone to be
28 involved in accidents, and those accidents are unreasonably likely to result in serious

1 bodily harm or death to the drivers and passengers of the Defective Vehicles, as well
2 as to other vehicle operators and pedestrians.

3 **B. GM Knew of the Ignition Switch Defects for Years, but Concealed the**
4 **Defects from Plaintiff and the Class**

5 39. Alarming, both Old GM and GM knew of the deadly ignition switch
6 defects and their dangerous consequences for many years, but concealed their
7 knowledge from Defective Vehicle owners.

8 40. For example, on July 29, 2005, Amber Marie Rose, age 16, died after
9 her 2005 Chevrolet Cobalt crashed and the airbag failed to deploy. Ms. Rose's death
10 was the first of the hundreds deaths and injuries attributable to the ignition switch
11 defects. Ms. Rose's death was an early warning in what would become a decade-
12 long failure by Old GM and GM to address the ignition switch problem.

13 41. Another incident involved sixteen year-old Megan Phillips. Ms.
14 Phillips was driving a 2005 Chevrolet Cobalt that crashed in Wisconsin in 2006,
15 killing two of her teenage friends when the car left the road and hit a clump of trees.
16 NHTSA investigators found that the key had moved from the "run" to the
17 "accessory" position, turning off the engine and disabling the vehicle's airbags
18 before impact. According to Ms. Phillips, the families of her deceased friends
19 blamed her and refused to speak with her; only after the recall was finally announced
20 did they began communicating. As she stated, "I don't understand why [GM] would
21 wait 10 years to say something. And I want to understand it but I never will."⁶
22
23
24
25
26

27 ⁶ "Owners of Recalled GM Cars Feel Angry, Vindicated," Reuters (Mar. 17,
28 2014).

1 42. Rather than publicly admitting the dangerous safety defects in its
2 vehicles, GM attempted to attribute these and other incidents to “driver error.”
3 Every year from 2005 to 2012, first Old GM and then GM received reports of deaths
4 in Cobalts involving steering and/or airbag failures, including:
5

- 6 • 2005: 26 Cobalt Death and Injury Incidents, including 1 death
7 citing Airbag as component involved.
- 8 • 2006: 69 Cobalt Death and Injury Incidents, including 2 deaths
9 citing Airbag as component involved and 4 deaths citing
10 Unknown component.
- 11 • 2007: 87 Cobalt Death and Injury Incidents, including 3 deaths
12 citing Airbag as component involved.
- 13 • 2008: 106 Cobalt Death and Injury Incidents, including 1 death
14 citing Airbag as component involved and 2 deaths citing
15 Unknown component.
- 16 • 2009: 133 Cobalt Death and Injury Incidents, including 1 death
17 citing Airbag as component involved, 1 death citing Service
18 Brake as component involved, 1 death citing Steering as
19 component involved, and 2 deaths citing Unknown component.
- 20 • 2010: 400 Cobalt Death and Injury Incidents, including 2 deaths
21 citing Airbag as component involved, 12 deaths citing steering as
22 component involved, and 1 death citing Unknown component.
- 23 • 2011: 187 Cobalt Death and Injury Incidents, including 2 deaths
24 citing Airbag as component involved, 2 deaths citing Steering as
25 component involved, and 1 Unknown component.
- 26 • 2012: 157 Cobalt Death and Injury Incidents, including 5 deaths
27 citing Airbag as component involved, and 4 deaths citing Steering
28 as component involved.

1 43. GM now admits that Old GM learned of the ignition switch defects as
2 early as 2001. During the pre-production development of the Saturn Ion, Old GM
3 engineers learned that the ignition could inadvertently move from the “Run” position
4 to the “Accessory” or “Off” position. Old GM claimed that a switch design change
5 “had resolved the problem.”⁷
6

7 44. In 2003, an internal report documented an instance in which the service
8 technician observed a stall while driving. The service technician noted that the
9 weight of several keys on the key ring had worn out the ignition switch. It was
10 replaced and the matter was closed.⁸
11

12 45. According to GM’s latest chronology submitted to NHTSA pursuant to
13 49 CFR § 573.6, Old GM engineers encountered the problem again in 2004 during
14 test drives of the Chevy Cobalt, before it went to market.

15 46. Old GM opened an engineering inquiry, known as a “Problem
16 Resolution Tracking System inquiry” (“PRTS”), to investigate the issue. According
17 to the chronology provided to NHTSA by GM, engineers pinpointed the problem and
18 were “able to replicate this phenomenon during test drives.”
19

20 47. According to GM, the PRTS engineers “believed that low key cylinder
21 torque effort was an issue and considered a number of potential solutions.” But after
22 considering cost and the amount of time it would take to develop a fix, Old GM did
23 nothing.
24

25
26 ⁷ “G.M. Reveals It Was Told of Ignition Defect in ’01,” D. Ivory, NEW YORK
27 TIMES (Mar. 12, 2014).

28 ⁸ *Id.*

1 48. As soon the 2005 Cobalt hit the market, Old GM almost immediately
2 started getting complaints about sudden loss of power incidents, “including instances
3 in which the key moved out of the ‘run’ position when a driver inadvertently
4 contacted the key or steering column.”⁹ Old GM opened additional PRTS inquires.
5

6 49. In another PRTS opened in May 2005, Old GM engineers again
7 assessed the problem and proposed that GM re-design the key head from a “slotted”
8 to a “hole” configuration. After initially approving the proposed fix, Old GM
9 reversed course and again declined to implement a fix.¹⁰

10 50. Instead, in October 2005, Old GM simply issued a Technical Service
11 Bulletin (“TSB”) advising service technicians and GM dealers that the inadvertent
12 turning of the key cylinder was causing the loss of the car’s electrical system.
13

14 51. Rather than disclosing the true nature of the defects and correcting
15 them, under the TSB, Old GM gave ccustomers who brought in their vehicle
16 complaining about the issue “an insert for the key ring so that it goes from a ‘slot’
17 design to a hole design” to prevent the key ring from moving up and down in the
18 slot. “[T]he previous key ring” was “replaced with a smaller” one; this change was
19 supposedly able to keep the keys from hanging as low as they had in the past.¹¹
20 According to GM’s records, Old GM dealers provided key inserts to 474 customers
21 who brought their vehicles into dealers for service.¹²
22
23

24 _____
25 ⁹ March 11, 2014 Chronology Re: Recall of 2006 Chevron HHR and Pontiac
Solstice, 2003-2007 Saturn Ion, and 2007 Saturn Sky Vehicles, at 1.

26 ¹⁰ *Id.*

27 ¹¹ *Id.* at 1-2.

28 ¹² *Id.* at 3.

1 52. Yet there was no recall. And, not surprisingly, Old GM continued to get
2 complaints.

3 53. In 2006, Old GM approved a design change for the Cobalt's ignition
4 switch supplied by Delphi. The new design included "the use of a new detent
5 plunger and spring that increased torque force in the ignition switch." But the new
6 design was not produced until the 2007 model year.¹³

7
8 54. In 2007, NHTSA investigators met with Old GM to discuss its airbags,
9 and informed Old GM of the July 2005 frontal and fatal crash involving Amber
10 Marie Rose.

11 55. As alleged above, the airbags in Ms. Rose's 2005 Cobalt did not deploy.
12 Data retrieved from her vehicle's diagnostic system indicated that the ignition was in
13 the "accessory" position. Old GM investigated and tracked similar incidents.

14
15 56. By the end of 2007, by GM's own admission, Old GM knew of 10
16 frontal collisions in which the airbag did not deploy.¹⁴ Plaintiff believes that Old
17 GM actually knew of many other similar incidents involving the ignition switch
18 defects.

19
20 57. For the next six years, GM continued to get complaints and continued to
21 investigate frontal crashes in which the airbags did not deploy.

22 58. However, according to GM, it was not until 2011 and 2012 that GM's
23 examinations of switches from vehicles that had experienced crashes revealed
24 significant design differences in the torque performance of ignition switches from the
25

26
27 ¹³ *Id.* at 2.

28 ¹⁴ Feb. 24, 2014 Attachment B-573.6(c)(6) at 2.

1 2005 Cobalts and those from the 2010 model year, the last year of the Cobalt's
2 production.

3 59. GM responded by blaming the supplier for the switch design.¹⁵

4 60. In 2014, after numerous assessments and facing increasing scrutiny of
5 its conduct and the defects in its vehicles, GM finally announced a recall for the
6 Cobalt and G5 vehicles.¹⁶
7

8 **C. GM Waited until 2014 to Finally Order a Recall of the Defective Vehicles**

9 61. After analysis by GM's Field Performance Review Committee and the
10 Executive Action Decision Committee ("EFADC"), the EFADC finally ordered a
11 recall of *some* of the Defective Vehicles on January 31, 2014.

12 62. Initially, GM's EFADC ordered a recall of only the Chevrolet Cobalt
13 and Pontiac G5 for model years 2005-2007.
14

15 63. After additional analysis, the EFADC expanded the recall on
16 February 24, 2014 to include the Chevrolet HHR and Pontiac Solstice for model
17 years 2006 and 2007, the Saturn Ion for model years 2003-2007, and the Saturn Sky
18 for model year 2007.
19

20 64. GM provided dealers with notice of the recall on February 26, 2014 and
21 March 4, 2014 and mailed letters to current owners on March 10 and March 11,
22 2014.

23 65. According to GM, "the dealers are to replace the ignition switch,"¹⁷
24 presumably with one with sufficient torque to prevent the inadvertent shut down of
25 the ignition, power steering, power brakes, and airbags.
26

27 ¹⁵ *Id.* at 3-4.

28 ¹⁶ *Id.* at 4-5.

1 66. In a video message addressed to GM employees on March 17, 2014,
2 C.E.O. Mary Barra admitted that the Company had made mistakes and needed to
3 change its processes.

4 67. According to Ms. Barra, “Something went terribly wrong in our
5 processes in this instance, and terrible things happened.” Barra continued to
6 promise, “We will be better because of this tragic situation if we seize this
7 opportunity.”¹⁸

8
9 68. GM now faces an investigation by NHTSA, hearings in both the U.S.
10 House and Senate, and a probe by the Department of Justice.

11 69. While GM has now appointed a new Vehicle Safety Chief, on
12 information and belief at least 1.4 million Defective Vehicles remain on the road to
13 this day; and, on information and belief, other vehicles not yet acknowledged by GM
14 also have the deadly ignition switch defects.

15
16 **D. Old GM Promoted the Defective Vehicles as Safe and Reliable**

17 70. On information and belief, in marketing and advertising materials, Old
18 GM consistently promoted the Defective Vehicles as safe and reliable.

19 71. For example, one Cobalt ad promised that “Side curtain airbags coupled
20 with OnStar makes every journey the safest possible to assure that you and your
21 occupants will stay safe at all times.”

22 72. An ad for the 2006 Solstice promises that the vehicle “[b]rings power
23 and defines performance.”
24

25
26 ¹⁷ *Id.* at 6.

27 ¹⁸ “*Something Went “Very Wrong” at G.M., Chief Says.*” N.Y. TIMES (Mar. 18,
28 2014).

1 73. A 2003 television spot for the Saturn vehicle closed with the tagline
2 “Specifically engineered for whatever is next.” Another 2003 spot closed with the
3 tagline “Saturn. People first.”

4 74. A 2001 print ad touting the launch of the Saturn focused on safety:

5 Need is where you begin. In cars, it’s about things like
6 reliability, durability and, of course, safety. That’s where
7 we started when developing our new line of cars. And it
8 wasn’t until we were satisfied that we added things....

9 75. Old GM made these representations to boost vehicle sales and maximize
10 profits while knowing that the ignition switches in the Defective Vehicles were
11 defective.

12 76. Throughout the relevant period, Old GM possessed vastly superior
13 knowledge and information to that of consumers – if not exclusive information –
14 about the design and function of the ignition switches in the Defective Vehicles and
15 the existence of the defects in those vehicles.

16 77. Old GM never informed consumers about the ignition switch defects.

17
18 **E. The Ignition Switch Defects have Harmed Plaintiff and the Class**

19 78. The ignition switch defects have caused damage to Plaintiff and the
20 Class.

21 79. A vehicle purchased, leased or retained with a serious safety defect is
22 worth less than the equivalent vehicle leased, purchased or retained without the
23 defect.

24 80. A vehicle purchased, leased or retained under the reasonable assumption
25 that it is safe is worth more than a vehicle known to be subject to the unreasonable
26 risk of catastrophic accident because of the ignition switch defects.
27
28

1 81. Purchasers and lessees paid more for the Defective Vehicles, through a
2 higher purchase price or higher lease payments, than they would have had the
3 ignition switch defects been disclosed. Plaintiff and the Class overpaid for their
4 Defective Vehicles. Because of the concealed ignition switch defects. Plaintiff did
5 not receive the benefit of the bargain.
6

7 82. Plaintiff and the Class are stuck with unsafe vehicles that are now worth
8 less than they would have been but for GM's failure to disclose the ignition switch
9 defects.
10

11 83. GM admits to at least twelve deaths resulting from accidents linked to
12 the ignition switch defects in the Defective Vehicles. However, Plaintiff believes
13 that the actual number is much higher, and that there may have been hundreds of
14 deaths and injuries attributable to the ignitions switch defects.

15 84. If Old GM or GM had timely disclosed the ignition switch defects as
16 required by the MCPA, TREAD Act, UCL, CLRA, and Song-Beverly Act, all Class
17 members' vehicles would now be worth more.
18

19 **V. SUCESOR LIABILITY**

20 85. As discussed above, GM expressly assumed certain obligations under,
21 *inter alia*, the TREAD Act, and is liable for its non-disclosure of the ignition switch
22 defects from the date of its formation on July 10, 2009.

23 86. GM also expressly assumed liability for Lemon Law claims in the
24 Master Sale and Purchase Agreement of June 26, 2009, and this assumption of
25 liability includes the Class' claims under the Song-Beverly Act, which is California's
26 Lemon Law statute.
27
28

1 87. GM has successor liability for Old GM's acts and omissions in the
2 marketing and sale of the Defective Vehicles because it has continued the business
3 enterprise of Old GM, for the following reasons:

- 4 • GM admits that it knew of the ignition system defects from the very date of
5 its formation;
- 6 • GM has continued in the business of designing, manufacturing, and
7 marketing vehicles, including at least some of the same vehicles as Old
8 GM;
- 9 • GM retained the bulk of the employees of Old GM;
- 10 • GM acquired owned and leased real property of Old GM, including all
11 machinery, equipment, tools, information technology, product inventory,
12 and intellectual property;
- 13 • GM acquired the contracts, books, and records of Old GM; and
- 14 • GM acquired all goodwill and other intangible personal property of Old
15 GM.

16 **VI. TOLLING OF THE STATUTES OF LIMITATION**

17 88. All applicable statutes of limitation have been tolled by GM's knowing
18 and active fraudulent concealment and denial of the facts alleged herein. Plaintiff
19 and Class members did not discover, and did not know of facts that would have
20 caused a reasonable person to suspect, that Old GM and GM did not report
21 information within their knowledge to federal authorities (NHTSA) or consumers,
22 nor would a reasonable and diligent investigation have disclosed that Old GM and
23 GM had information in their possession about the existence and dangerousness of the
24 defect and opted to conceal that information until shortly before this class action was
25 filed.

26 89. Indeed, Old GM instructed its service shops to provide Defective
27 Vehicle owners with a new key ring if they complained about unintended shut down,
28

1 rather than admit what Old GM knew – that the ignition switches were dangerously
2 defective and warranted replacement with a properly designed and built ignition
3 system.

4 90. Old GM and GM were, and GM remains, under a continuing duty to
5 disclose to NHTSA, Plaintiff, and the Class the true character, quality, and nature of
6 the Defective Vehicles; that this defect is based on dangerous, inadequate, and
7 defective design and/or substandard materials; and that it will require repair, poses a
8 severe safety concern, and diminishes the value of the Defective Vehicles.
9

10 91. Because of the active concealment by Old GM and GM, any and all
11 limitations periods otherwise applicable to Plaintiff's claims have been tolled.
12

13 **VII. CLASS ALLEGATIONS**

14 92. Under Rules 23(a), (b)(2), and (b)(3) of the Federal Rules of Civil
15 Procedure, Plaintiff brings this action on behalf of herself and a Class initially
16 defined as follows:

17 All persons in the United States who currently own or lease
18 one or more of the following GM vehicles: 2003-07 Saturn
19 Ion; 2005-07 Chevrolet Cobalt; 2007 Pontiac G5; 2006-07
20 Chevrolet HHR; 2006-07 Pontiac Solstice; and 2007 Saturn
21 Sky (the "Defective Vehicles"). This list will be
22 supplemented to include other GM vehicles that have the
defective ignition switches, which inadvertently turn off
the engine and vehicle electrical systems during ordinary
driving conditions.

23 93. Included within the Class is a subclass of California residents who own
24 or lease Defective-Vehicles (the "California Subclass").

25 94. Excluded from the Class are GM, its employees, co-conspirators,
26 officers, directors, legal representatives, heirs, successors and wholly or partly
27 owned subsidiaries or affiliated companies; class counsel and their employees; and
28

1 the judicial officers and their immediate family members and associated court staff
2 assigned to this case, and all persons within the third degree of relationship to any
3 such persons. Also excluded are any individuals claiming damages from personal
4 injuries allegedly arising from the Defective Vehicles.

5
6 95. The Defective Vehicles include at least the following models:
7 Chevrolet Cobalts (2005-07 model years); Pontiac G5 (2006-07 model years); Saturn
8 Ions (2003-07 model years); Chevrolet Hurst (2006-07 model years); Pontiac
9 Solstice (2006-07 model years); and Saturn Sky (2007 model year).

10 96. Plaintiff is informed and believes that Old GM manufactured and sold
11 to consumers at least 1.4 million of the Defective Vehicles nationwide and hundreds-
12 of-thousands of Defective Vehicles in the State of California. Individual joinder of
13 all Class or Subclass members is impracticable.

14
15 97. The Class expressly disclaims any recovery for physical injury resulting
16 from the ignition switch defects. But the increased risk of injury from the ignition
17 switch defects serves as an independent justification for the relief sought by Plaintiff
18 and the Class.

19
20 98. The Class can be readily identified using registration records, sales
21 records, production records, and other information kept by GM or third parties in the
22 usual course of business and within their control.

23 99. Questions of law and fact are common to the Class and the Subclass and
24 predominate over questions affecting only individual members, including the
25 following:

- 26
27 (a) Whether the Defective Vehicles suffer from ignition switch
28 defects;

- 1 (b) Whether Old GM and GM concealed the defects;
- 2 (c) Whether Old GM and GM misrepresented that the Defective
- 3 Vehicles were safe;
- 4 (d) Whether Old GM and GM engaged in fraudulent concealment;
- 5 (e) Whether Old GM and GM engaged in unfair, deceptive,
- 6 unlawful and/or fraudulent acts or practices in trade or commerce by failing to
- 7 disclose that the Defective Vehicles were designed, manufactured, and sold
- 8 with defective ignition switches;
- 9 (f) Whether the alleged conduct by GM violated laws as Plaintiff
- 10 alleges;
- 11 (g) Whether Old GM's and GM's unlawful, unfair and/or deceptive
- 12 practices harmed Plaintiff and the members of the Class
- 13 (h) Whether GM violated the Michigan Consumer Protection Act
- 14 ("MCPA"), MICH. COMP. L. ANN. § 445.901, *et seq.* and, if so, what remedies
- 15 are available for the Class under Mich. Comp. L. Ann. § 445.911.
- 16 (i) Whether GM violated California law, including the CLRA, CAL.
- 17 CIV. CODE §§ 1750, *et seq.*; and the UCL, CAL. BUS. & PROF. CODE §§ 17200,
- 18 *et seq.*, and if so, what remedies are available for the California Subclass;
- 19 (j) Whether Plaintiff and the members of the Class are entitled to
- 20 equitable and/or injunctive relief; and
- 21 (k) Whether, and to what extent, GM has successor liability for the
- 22 acts and omissions of Old GM.
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1 100. Plaintiff's claims are typical of the claims of the Class members, and
2 arise from the same course of conduct by GM and Old GM. The relief Plaintiff
3 seeks is typical of the relief sought for the absent Class members.

4 101. Plaintiff will fairly and adequately represent and protect the interests of
5 all absent Class members. Plaintiff is represented by counsel competent and
6 experienced in product liability, consumer protection, and class action litigation.

7 102. A class action is superior to other available methods for the fair and
8 efficient adjudication of this controversy, since joinder of all the individual Class
9 members is impracticable. Because the damages suffered by each individual Class
10 member may be relatively small, the expense and burden of individual litigation
11 would make it very difficult or impossible for individual Class members to redress
12 the wrongs done to each of them individually, and the burden imposed on the judicial
13 system would be enormous.

14 103. The prosecution of separate actions by the individual Class members
15 would create a risk of inconsistent or varying adjudications for individual Class
16 members, which would establish incompatible standards of conduct for GM. The
17 conduct of this action as a class action presents far fewer management difficulties,
18 conserves judicial resources and the parties' resources, and protects the rights of each
19 Class member.

20 104. Plaintiff is not aware of any obstacles likely to be encountered in the
21 management of this action that would preclude its maintenance as a class action.
22 Plaintiff anticipates providing appropriate notice to be approved by the Court after
23 discovery into the size and nature of the Class.
24
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VIII. CAUSES OF ACTION

COUNT I

VIOLATIONS OF THE MICHIGAN CONSUMER PROTECTION ACT

(The MCPA, MICH. COMP. L. ANN. § 44901, *et seq.*)

105. Plaintiff and the Class incorporate by reference each preceding and following paragraph as though fully set forth at length herein.

106. This claim is brought on behalf of the nationwide Class.

107. Old GM, GM, and Plaintiff are each “persons” under MICH. COMP. L. ANN. § 445.902(d).

108. The sale of the Defective Vehicles to Plaintiff and the Class occurred within “trade and commerce” within the meaning of MICH. COMP. L. ANN. § 445.902(d), and both GM and Old GM committed deceptive and unfair acts in the conduct of “trade and commerce” as defined in that statutory section.

109. The MCPA makes unlawful any “unfair, unconscionable, or deceptive methods, acts or practices in the conduct of trade or commerce,” as more specifically defined in the MCPA. MICH. COMP. L. ANN. § 445.903 (1). GM has engaged in unfair, unconscionable, and deceptive methods, acts and practices violation of the MCPA, and also has successor liability for the unfair, unconscionable, and deceptive methods, acts and practices of Old GM as set forth above.

110. Both Old GM and GM violated the MCPA by “[f]ailing to reveal a material fact, the omission of which tends to mislead or deceive the consumer, and which fact could not reasonably be known by the consumer.” MICH. COMP. L. ANN. § 445.903(s).

1 111. As alleged above, both Companies knew of the safety ignition defect,
2 while Plaintiff and the Class were deceived by the Companies' omission into
3 believing the Defective Vehicles were safe, and the information could not have
4 reasonably been known by the consumer until the February and March 2014 recalls.

5 112. Old GM also violated the MCPA by "[m]aking a representation of fact
6 or statement of fact material to the transaction such that a person reasonably believes
7 the represented or suggested state of affairs to be other than it actually is." MICH.
8 COMP. L. ANN. § 405.903(bb). For example, Old GM represented that the Defective
9 Vehicles were safe such that reasonable people believed the represented or suggested
10 state of affairs to be true; namely, that the Defective vehicles were safe.

11 113. Old GM also violated the MCPA by "[f]ailing to reveal facts that are
12 material to the transaction in light of representations of fact made in a positive
13 manner." MICH. COMP. L. ANN. § 405.903(cc). Old GM represented that the
14 Defective Vehicles were safe, which made it even more incumbent on Old GM to
15 reveal the material fact of the ignition switch defects.

16 114. Old GM's and GM's acts and practices were unfair and unconscionable,
17 because their acts and practices, including the manufacture and sale of vehicles with
18 an ignition switch defect, and the Companies' failure to adequately disclose the
19 defect to NHTSA and the Class and timely implement a remedy, offend established
20 public policy, and because the harm the Companies caused consumers greatly
21 outweighs any benefits associated with those practices. The Companies' conduct has
22 also impaired competition within the automotive vehicles market and has prevented
23 Plaintiff and the Class from making fully informed decisions about whether to lease,
24 purchase, and/or retain Defective Vehicles.

1 115. While Old GM knew of the ignition switch defects by 2001, it
2 continued to design, manufacture, and market the Defective Vehicles until 2007.

3 116. All the while, Old GM knew that the vehicles had an unreasonable
4 propensity to shut down during ordinary driving conditions, leading to an
5 unreasonable risk of serious bodily injury or death.
6

7 117. Plaintiff and the Class have suffered an injury, including the loss of
8 money or property, as a result of GM's unfair, unlawful, and/or deceptive practices.
9 Old GM and GM failed to inform NHTSA, and therefore failed to inform consumers,
10 that its vehicles had a defective ignition switch that could lead to injury and death.
11 Had Plaintiff and the Class known this, they would either not have purchased their
12 vehicles at all or would have paid less for them, and would not have retained their
13 Defective Vehicles. Plaintiff and the Class have therefore suffered a "loss" because
14 of the violations of the MCPA complained of herein.
15

16 118. All of the wrongful conduct alleged herein occurred, and continues to
17 occur, in the conduct of the Companies' business.

18 119. Plaintiff requests that this Court: enjoin GM from continuing its unfair,
19 unlawful, and/or deceptive practices; provide to Plaintiff and each Class either their
20 actual damages as the result of GM's unfair, unlawful, and deceptive trade practices,
21 or \$250 per Class member, whichever is higher; award reasonable attorneys' fees;
22 and provide other appropriate relief under MICH. COMP. L. ANN. § 445.911.
23

24 120. Plaintiff acknowledges that, on its face, the MCPA purports to (i)
25 deprive non-residents of bringing class (but not individual) actions under the MCPA;
26 and (ii) allows individuals (but not class members) the ability to recover a penalty of
27 \$250 per person if that amount is greater than their actual damages. After the United
28

1 States Supreme Court's decision in *Shady Grove Orthopedic Ass., P.A. v. Allstate*
2 *Ins. Co.*, 589 U.S. 393 (2010), however, any such prohibitions imposed in class
3 actions (but not in individual actions) are trumped and superseded by Fed. R. Civ. P.
4 23, which imposes no such restrictions.

5
6 **COUNT II**
7 **FRAUDULENT CONCEALMENT**

8 121. Plaintiff and the Class incorporate by reference each preceding and
9 following paragraph as though fully set forth at length herein.

10 122. This claim is brought on behalf of the nationwide Class.

11 123. GM concealed and suppressed material facts concerning the ignition
12 switch defects, and GM also has successor liability for the acts of concealment and
13 oppression of Old GM as set forth above.

14 124. The Companies had a duty to disclose the ignition switch defects
15 because they were known and/or accessible only to the Companies who had superior
16 knowledge and access to the facts, and the Companies knew they were not known to
17 or reasonably discoverable by Plaintiff and the Class. These omitted and concealed
18 facts were material because they directly impact the safety of the Defective Vehicles.
19 Whether an ignition switch was designed and manufactured with appropriate
20 safeguards is a material safety concern.

21 125. The Companies actively concealed and/or suppressed these material
22 facts, in whole or in part, to protect their profits and avoid a costly recall, and they
23 did so at the expense of Plaintiff and the Class.

24 126. On information and belief, GM has still not made full and adequate
25 disclosure and continues to defraud Plaintiff and the Class and conceal material
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1 information regarding the defects that exist in the Defective Vehicles and other GM
2 vehicles.

3 127. Plaintiff and the Class were unaware of these omitted material facts and
4 would not have acted as they did if they had known of the concealed and/or
5 suppressed facts. Plaintiff's and the Class's actions were justified. The Companies
6 were in exclusive control of the material facts and such facts were not known to the
7 public, Plaintiff, or the Class.

8 128. Because of the concealment and/or suppression of the facts, Plaintiff
9 and the Class sustained damage because they purchased and retained vehicles that
10 are now diminished in value from what they would have been had the Companies
11 timely disclosed the ignition switch defects.

12 129. The Companies' acts were done maliciously, oppressively, deliberately,
13 with intent to defraud, and in reckless disregard of Plaintiff's and the Class's rights
14 and well-being to enrich the Companies. The Companies' conduct warrants an
15 assessment of punitive damages in an amount sufficient to deter such conduct in the
16 future, which amount is to be determined according to proof.

17 **COUNT III**

18 **VIOLATIONS OF THE CONSUMER LEGAL REMEDIES ACT**

19 **(CAL. CIV. CODE § 1750, *et seq.*)**

20 130. Plaintiff incorporates by reference each preceding and succeeding
21 paragraph as though fully set forth at length herein.

22 131. Plaintiff asserts this claim for violation of the California Consumer
23 Legal Remedies Act ("CLRA") against GM on behalf of members of the California
24 Subclass.
25
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1 132. GM is a “person” under CAL. CIV. CODE § 1761(c).

2 133. Plaintiff and the members of the California Subclass are “consumers,”
3 as defined by CAL. CIVIL CODE § 1761(d), who purchased or leased one or more
4 Defective Vehicles.

5 134. GM engaged in unfair or deceptive acts or practices that violated CAL.
6 CIVIL CODE § 1750, *et seq.*, as described above and below.

7 135. Under the TREAD Act, 49 U.S.C. §§ 30101, *et seq.*, and its
8 accompanying regulations, if a manufacturer learns that a vehicle contains a defect
9 and that defect is related to motor vehicle safety, the manufacturer must disclose the
10 defect. 49 U.S.C. § 30118(c)(1) & (2).

11 136. In acquiring Old GM, GM expressly assumed the obligations to make
12 all required disclosures under the TREAD Act.

13 137. GM also has successor liability for the deceptive and unfair acts and
14 omissions of Old GM.

15 138. Under the TREAD Act, if it is determined that the vehicle is defective,
16 the manufacturer must promptly notify vehicle owners, purchasers and dealers of the
17 defect and remedy the defect. 49 U.S.C. § 30118(b)(2)(A) & (B).

18 139. Under the TREAD Act, manufacturers must also file a report with
19 NHTSA within five working days of discovering “a defect in a vehicle or item of
20 equipment has been determined to be safety related, or a noncompliance with a
21 motor vehicle safety standard has been determined to exist.” 49 C.F.R. § 573.6(a) &
22 (b). At a minimum, the report to NHTSA must include: the manufacturer’s name;
23 the identification of the vehicles or equipment containing the defect, including the
24 make, line, model year and years of manufacturing; a description of the basis for
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1 determining the recall population; how those vehicles differ from similar vehicles
2 that the manufacturer excluded from the recall; and a description of the defect. 49
3 C.F.R. § 276.6(b), (c)(1), (c)(2), & (c)(5).

4 140. The manufacturer must also promptly inform NHTSA regarding: the
5 total number of vehicles or equipment potentially containing the defect; the
6 percentage of vehicles estimated to contain the defect; a chronology of all principal
7 events that were the basis for the determination that the defect related to motor
8 vehicle safety, including a summary of all warranty claims, field or service reports,
9 and other information, with its dates of receipt; and a description of the plan to
10 remedy the defect. 49 C.F.R. § 276.6(b) & (c).

11 141. The TREAD Act provides that any manufacturer who violates 49
12 U.S.C. § 30166 must pay a civil penalty to the U.S. Government. The current
13 penalty “is \$7,000 per violation per day,” and the maximum penalty “for a related
14 series of daily violations is \$17,350,000.” 49 C.F.R. § 578.6(c).

15 142. From at least 2001, Old GM had knowledge of the ignition switch
16 defect, but hid the problem for the remainder of its existence until 2009.

17 143. From its creation on July 10, 2009, GM knew of the ignition switch
18 problem because of the knowledge of Old GM and continuous reports up until the
19 present.

20 144. GM admits the defect in the ignition switch has been linked to at least
21 twelve accident-related fatalities. But other sources have reported that hundreds of
22 deaths and serious injuries are linked to the faulty ignition switches.

23 145. Despite being aware of the ignition switch defects ever since its creation
24 on July 10, 2009, GM waited until February 7, 2014, before finally sending a letter
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1 to NHTSA confessing its knowledge of the ignition switch defects which could
2 cause the vehicles to lose power, and in turn cause the airbags not to deploy. GM
3 initially identified two vehicle models, along with the corresponding model years,
4 affected by the defect -- the 2005-2007 Chevrolet Cobalt and the 2007 Pontiac G5.
5 On February 25, GM amended its letter to include four additional vehicles, the 2006-
6 2007 Chevrolet HHR, 2006-2007 Pontiac Solstice, 2003-2007 Saturn Ion, and the
7 2007 Saturn Sky.
8

9 146. By failing to disclose and by actively concealing the ignition switch
10 defect, and by selling vehicles while violating the TREAD Act and other conduct as
11 alleged herein, Old GM and GM both engaged in deceptive business practices
12 prohibited by the CLRA, CAL. CIVIL CODE § 1750, *et seq.*
13

14 147. Both Old GM and GM failed for many years to inform NHTSA about
15 known defects in the Defective Vehicles' ignition system. Consequently, the public,
16 including Plaintiff and the California Subclass, received no notice of the ignition
17 switch defects, that the defect could disable multiple electrical functions including
18 power steering and power brakes, or that the defect could cause the airbags not to
19 deploy in an accident.
20

21 148. GM knew that the ignition switch had a defect that could cause a
22 vehicle's engine to lose power without warning, and that when the engine lost power
23 there was a risk that electrical functions would fail and that the airbags would not
24 deploy. Yet GM failed to inform NHTSA or warn Plaintiff or the public about these
25 inherent dangers despite having a duty to do so.
26

27 149. Old GM and GM owed Plaintiff and the California Subclass a duty to
28 comply with the TREAD Act and disclose the defective nature of Defective

1 Vehicles, including the ignition switch defect and accompanying loss of power and
2 failure of the airbags to deploy, because Old GM and GM:

3 a. Possessed exclusive knowledge of the ignition switch
4 defects rendering the Defective Vehicles inherently more dangerous and
5 unreliable than otherwise similar vehicles; and

6 b. Intentionally concealed the hazardous situation with
7 Defective Vehicles by failing to comply with the TREAD Act and
8 disclosing the ignition switch defects.

9 150. Defective Vehicles equipped with the faulty ignition switch pose an
10 unreasonable risk of death or serious bodily injury to Plaintiff, passengers, other
11 motorists, and pedestrians, because they are susceptible to sudden loss of power
12 resulting in the loss of power steering and power brakes and failure of the airbags to
13 deploy.
14

15 151. Old GM's and GM's unfair or deceptive acts or practices were likely to
16 and did in fact deceive reasonable consumers, including Plaintiff, about the true
17 safety and reliability of Defective Vehicles.
18

19 152. Because of their violations of the CLRA detailed above, Old GM and
20 GM caused actual damage to Plaintiff and, if not stopped, will continue to harm
21 Plaintiff and the California Subclass. Plaintiff and the California Subclass members
22 currently own or lease Defective Vehicles that are defective and inherently unsafe.
23 These violations caused the diminution in value of Plaintiff's' vehicles which are
24 now worth less than they would have been without the ignition switch defects. Had
25 Old GM timely disclosed the defect, Plaintiff would either not have purchased the
26 Defective Vehicle at all, or would have paid less for the Defective Vehicle. Plaintiff
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1 and the Class did not receive the benefit of their bargain which was for a safe vehicle
2 free of serious safety defects.

3 153. Had GM timely disclosed the ignition switch defects, the issue would
4 have been resolved years ago and the value of Plaintiff's Defective Vehicles would
5 not now be diminished.
6

7 154. Plaintiff and the Class face the risk of irreparable injury as a result of
8 GM's acts and omissions in violation of the CLRA, and these violations present a
9 continuing risk to Plaintiff and to the general public.

10 155. Under CAL. CIV. CODE § 1780(a), Plaintiff and the Class seek monetary
11 relief against GM measured as the diminution of the value of their vehicles caused
12 by Old GM's and GM's violations of the CLRA as alleged herein.
13

14 156. Under CAL. CIV. CODE § 1780(b), Plaintiff seeks an additional award
15 against GM of up to \$5,000 for each class member who qualifies as a "senior
16 citizen" or "disabled person" under the CLRA. Old GM and GM knew or should
17 have known that their conduct was directed to one or more California Subclass
18 members who are senior citizens or disabled persons. Old GM and GM's conduct
19 caused one or more of these senior citizens or disabled persons to suffer a substantial
20 loss of property set aside for retirement or for personal or family care and
21 maintenance, or assets essential to the health or welfare of the senior citizen or
22 disabled person. One or more California Subclass members who are senior citizens
23 or disabled persons are substantially more vulnerable to Old GM and GM's conduct
24 because of age, poor health or infirmity, impaired understanding, restricted mobility,
25 or disability, and each of them suffered substantial physical, emotional, or economic
26 damage resulting from Old GM's and GM's conduct.
27
28

1 157. Plaintiff also seeks punitive damages against GM because it carried out
2 reprehensible conduct with willful and conscious disregard of the rights and safety of
3 others, subjecting Plaintiff and the California Subclass to potential cruel and unjust
4 hardship as a result. First Old GM and then GM intentionally and willfully concealed
5 and failed to inform NHTSA of the unsafe and unreliable Defective Vehicles,
6 deceived Plaintiff on life-or-death matters, and concealed material facts that only it
7 knew, all to avoid the expense and public relations problem of correcting a deadly
8 flaw in the Defective Vehicles. GM's unlawful conduct constitutes malice,
9 oppression, and fraud warranting punitive damages under CAL. CIV. CODE § 3294.
10

11 158. Plaintiff further seeks an order enjoining GM's unfair or deceptive acts
12 or practices, restitution, punitive damages, costs of Court, attorneys' fees under CAL.
13 CIV. CODE § 1780(e), and any other just and proper relief available under the CLRA.
14

15 159. Finally, California Subclass members who purchased a Defective
16 Vehicle after July 10, 2009 ("Repurchasers") have a CLRA claim against GM for
17 failing to disclose the known ignition-switch defect.
18

19 160. But for GM's deceptive and unfair failure to disclose the ignition switch
20 defects, the Repurchasers would either not have purchased the Defective Vehicles or
21 would have paid less for them, entitling them to monetary relief under CAL. CIV.
22 CODE § 1780(a) and punitive damages, for the reasons set forth above.
23

24 161. Plaintiff includes an affidavit with this Complaint that show that venue
25 in this District is proper, to the extent such an affidavit is required by CAL. CIV.
26 CODE § 1780(d).
27
28

COUNT IV

VIOLATION OF THE CALIFORNIA UNFAIR COMPETITION LAW

(CAL. BUS. & PROF. CODE § 17200, *et seq.*)

162. Plaintiff incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.

163. Plaintiff and the California Subclass assert this claim for violations of California's Unfair Competition Law ("UCL"), BUS. & PROF. CODE §§ 17200, *et seq.*, on behalf of the California Subclass.

164. California Business and Professions Code section 17200 prohibits any "unlawful, unfair, or fraudulent business act or practices." GM has engaged in unlawful, fraudulent, and unfair business acts and practices in violation of the UCL, and also has successor liability for the unlawful, fraudulent and unfair business acts and practices of Old GM.

165. Both Old GM and GM violated the unlawful prong of section 17200 by their violations of the CLRA, CAL. CIVIL CODE § 1750, *et seq.*, as set forth in Count III by the acts and practices set forth in this Complaint.

166. Both Old GM and GM also violated the unlawful prong because they engaged in business acts or practices that are unlawful because they violate the TREAD Act, 49 U.S.C. §§ 30101, *et seq.*, and its regulations.

167. Old GM and GM violated the TREAD Act when they failed to timely inform NHTSA of the ignition switch defects and allowed cars to be sold with these defects.

168. Old GM and GM violated the unfair and fraudulent prong of section 17200 because, in omitting to inform NHTSA about a defect affecting the safety and

1 reliability of its vehicles, the Companies engaged in conduct that was likely to
2 deceive reasonable owners into believing that the vehicles were safe and reliable.
3 The information that should have been disclosed to NHTSA about the faulty ignition
4 switch would be material to a reasonable consumer.
5

6 169. Old GM and GM also violated the unfair prong of section 17200
7 because the acts and practices set forth in the Complaint, including the manufacture
8 and sale of vehicles with an ignition switch defect, and the Companies' failure to
9 adequately disclose the defect to NHTSA and implement a remedy, offend
10 established public policy, and because the harm the Companies caused consumers
11 greatly outweighs any benefits associated with those practices. The Companies'
12 conduct has also impaired competition within the automotive vehicles market and
13 has prevented Plaintiff and the California Subclass from making fully informed
14 decisions about whether to lease, purchase and/or retain Defective Vehicles.
15

16 170. While Old GM knew of the ignition switch defects by 2001, it
17 continued to design, manufacture and market the Defective Vehicles until 2007. All
18 the while, Old GM knew that the vehicles had an unreasonable propensity to shut
19 down during ordinary driving conditions, leading to an unreasonable risk of serious
20 bodily injury or death.
21

22 171. Plaintiff and the California Subclass have suffered an injury, including
23 the loss of money or property, because of GM's unfair, unlawful and/or deceptive
24 practices. Old GM and GM failed to inform NHTSA, and therefore failed to inform
25 consumers, that its vehicles had a defective ignition switch that could lead to injury
26 and death. Had Plaintiff and the California subclass known this they would either
27
28

1 not have purchased their vehicles at all or would have paid less for them, and would
2 not have retained their Defective Vehicles.

3 172. All of the wrongful conduct alleged herein occurred, and continues to
4 occur, in the conduct of the Companies' business. The Companies' wrongful
5 conduct is part of a pattern or generalized course of conduct that is still perpetuated
6 and repeated, both in California and nationwide.

7
8 173. Plaintiff and the California Subclass have suffered an injury, including
9 the loss of money or property, due to GM's unfair, unlawful and/or deceptive
10 practices.

11 174. Plaintiff requests that this Court enter such orders or judgments as may
12 be necessary, including a declaratory judgment that GM has violated the UCL; an
13 order enjoining GM from continuing its unfair, unlawful, and/or deceptive practices;
14 an order and judgment restoring to the California Subclass members any money lost
15 as the result of GM's unfair, unlawful and deceptive trade practices, including
16 restitution and disgorgement of any profits GM received as a result of its unfair,
17 unlawful and/or deceptive practices, as provided in CAL. BUS. & PROF. CODE §
18 17203, CAL CIV. PROC. § 384 and CAL. CIV. CODE § 3345; and for such other relief
19 set forth below.
20
21

22 175. Finally, California Subclass members who purchased a Defective
23 Vehicle after July 10, 2009 (the Repurchasers) have a UCL claim against GM for
24 failing to disclose the known ignition-switch defect.

25 176. But for GM's deceptive and unfair failure to disclose the ignition switch
26 defects, the Repurchasers would either not have purchased the Defective Vehicles or
27 would have paid less for them, entitling them to orders or judgments to: enjoin GM
28

1 from continuing its unfair, unlawful, and/or deceptive practices; and/or restore to the
2 Repurchasers any money lost as the result of GM's unfair, unlawful and deceptive
3 trade practices, as provided in CAL. BUS. & PROF. CODE § 17203, CAL CIV. PROC. §
4 384 and CAL. CIV. CODE § 3345.

5
6 **COUNT V**

7 **VIOLATION OF SONG-BEVERLY CONSUMER WARRANTY ACT**
8 **FOR BREACH OF IMPLIED WARRANTY OF MERCHANTABILITY**
9 **(CALIFORNIA "LEMON LAW")**

10 **(CAL. CIV. CODE §§ 1791.1 & 1792)**

11 177. Plaintiff repeats and realleges the preceding paragraphs as if fully set
12 forth herein.

13 178. This claim is brought on behalf of the California Subclass.

14 179. Plaintiff and California Class members who purchased or leased the
15 Defective Vehicles in California are "buyers" within the meaning of CAL. CIV. CODE
16 § 1791(b).

17 180. The Defective Vehicles are "consumer goods" within the meaning of
18 CIV. CODE § 1791(a).

19 181. Old GM was a "manufacturer" of the Class Vehicles within the meaning
20 of CAL. CIV. CODE § 1791(j), and, in purchasing Old GM, GM expressly assumed
21 liability and responsibility for "payment of all [Old GM's] Liabilities arising under
22Lemon Laws," including California's Lemon Law, the Song-Beverly Act.

23 182. Old GM and GM impliedly warranted to Plaintiff and the California
24 Subclass that its Defective Vehicles were "merchantable" within the meaning of
25 CAL. CIV. CODE §§ 1791.1(a) & 1792; however, the Defective Vehicles do not have
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1 the quality that a buyer would reasonably expect, and were therefore not
2 merchantable.

3 183. CAL. CIV. CODE § 1791.1(a) states:

4 “Implied warranty of merchantability” or “implied
5 warranty that goods are merchantable” means that the
6 consumer goods meet each of the following:

- 7 (1) Pass without objection in the trade under the contract
8 description.
9 (2) Are fit for the ordinary purposes for which such
10 goods are used.
11 (3) Are adequately contained, packaged, and labeled.
12 (4) Conform to the promises or affirmations of fact
made on the container or label.

13 184. The Defective Vehicles would not pass without objection in the
14 automotive trade because of the ignition switch defects that cause the Defective
15 Vehicles to inadvertently shut down during ordinary driving conditions, leading to an
16 unreasonable likelihood of accident and an unreasonable likelihood that such
17 accidents would cause serious bodily harm or death to vehicle occupants.

18 185. Because of the ignition switch defects, the Defective Vehicles are not
19 safe to drive and thus not fit for ordinary purposes.

20 186. The Defective Vehicles are not adequately labeled because the labeling
21 fails to disclose the ignition switch defects and does not advise Class members to
22 avoid attaching anything to their vehicle key rings. Old GM and GM failed to warn
23 about the dangerous safety defects in the Defective Vehicles.

24 187. GM breached the implied warranty of merchantability by manufacturing
25 and selling Defective Vehicles containing defects leading to the sudden and
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1 unintended shut down of the vehicles during ordinary driving conditions. These
2 defects have deprived Plaintiff and the California Subclass of the benefit of their
3 bargain and have caused the Defective Vehicles to depreciate in value.

4 188. As a direct and proximate result of GM's breach of its duties under
5 California's Lemon Law, California Subclass members received goods whose
6 dangerous condition substantially impairs their value to California Subclass
7 members. Plaintiff and the California Subclass have been damaged by the
8 diminished value of GM's products, the products' malfunctioning, and the nonuse of
9 their Defective Vehicles.
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11 189. Under CAL. CIV. CODE §§ 1791.1(d) & 1794, California Subclass
12 members are entitled to damages and other legal and equitable relief including, at
13 their election, the purchase price of their Defective Vehicles, or the overpayment or
14 diminution in value of their Defective Vehicles.
15

16 190. Under CAL. CIV. CODE § 1794, California Subclass members are
17 entitled to costs and attorneys' fees.
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19 **PRAYER FOR RELIEF**

20 WHEREFORE, Plaintiff, individually and on behalf all others similarly
21 situated, respectfully requests that this Court enter a judgment against GM and in
22 favor of Plaintiff and the Class, and grant the following relief:

23 A. Determine that this action may be maintained as a Class action and
24 certify it as such under Rule 23(b)(3), or alternatively certify all issues and claims
25 that are appropriately certified; and designate and appoint Plaintiff as Class and
26 Subclass Representative and Plaintiff's chosen counsel as Class Counsel;
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1 B. Declare, adjudge and decree the conduct of GM as alleged herein to be
2 unlawful, unfair and/or deceptive, and enjoin any such future conduct;

3 C. Award Plaintiff and Class members actual, compensatory damages, or,
4 in the alternative, statutory damages, as proven at trial;

5 D. Alternatively, if elected by Plaintiff and the Subclass, require GM to
6 repair the defective ignition switches or provide a comparable vehicle that does not
7 have ignition switch defects;

8 E. Award Plaintiff and the California Subclass restitution of all monies
9 paid to Old GM because of GM's violation of the UCL, the CLRA, and the Song-
10 Beverly Act;

11 F. Award Plaintiff and the Class members exemplary damages in such
12 amount as proven;

13 G. Award Plaintiff and the Class members their reasonable attorneys' fees,
14 costs, and pre-judgment and post-judgment interest; and

15 H. Award Plaintiff and the Class members such other further and different
16 relief as the case may require or as determined to be just, equitable, and proper by
17 this Court.
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21 JURY TRIAL DEMAND

22 Plaintiff requests a trial by jury on the legal claims, as set forth herein.
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1 DATED: March 19, 2014

HAGENS BERMAN SOBOL SHAPIRO LLP

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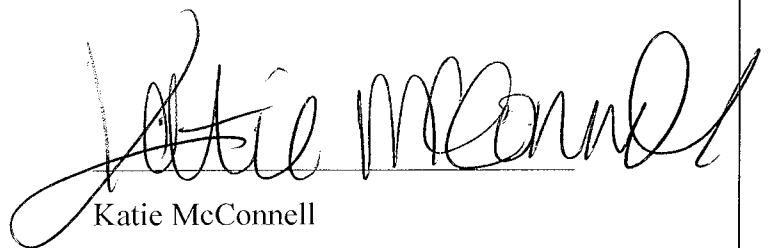
20 *Attorneys for Plaintiff*

AFFIDAVIT OF VENUE BY PLAINTIFF KATIE McCONNELL

I, Katie McConnell, hereby declare and state as follows:

1. I have personal knowledge of the facts stated herein and could competently testify thereto if called upon to do so.
2. I am a Plaintiff in the above-entitled action.
3. Pursuant to Cal. Civ. Code § 1780(d), I make this declaration in support of the Class Action Complaint and the claim therein for relief under Cal. Civ. Code § 1780(a).
4. This action for relief under Cal. Civ. Code § 1780(a) has been commenced in a county that is a proper place for trial of this action because Defendants do business in this District (the Central District of California) and throughout the State of California.
5. The Complaint filed in this matter contains causes of action for violations of the Consumers Legal Remedies Act against General Motors, LLC ("GM"), a Delaware limited liability company doing business nationwide, including California.
6. I own a 2007 Saturn Ion, which was originally purchased at Saturn of Huntington Beach, CA in or around 2007.

I declare under penalty of perjury under the laws of the State of California that the foregoing Declaration is true and correct, and was executed by me in the city of Newport Beach, California on March 19, 2014.


Katie McConnell